



NSPS

Conversion

TRADOC

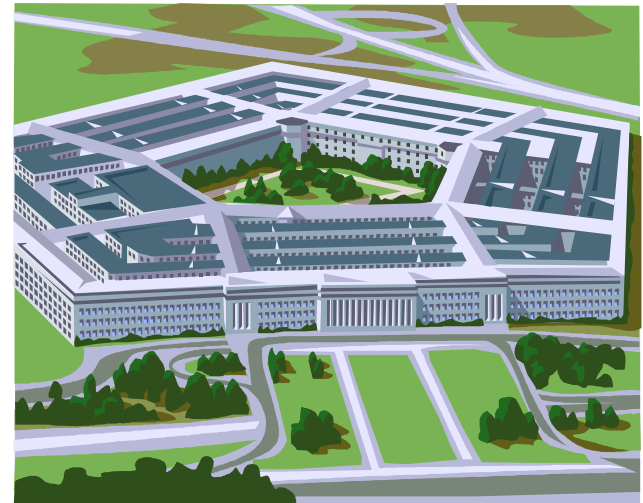
12 March 07

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Background

Congress authorized NSPS

- Part of the fiscal 2004 National Defense Authorization Act
- Designed specifically to meet National Defense needs
- Increases effectiveness through more flexible personnel management system



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Bottom Line Up Front

- **Mission oriented**
- **Focus on results**
- **Values performance over longevity**
- **Rewards contributions**
- **Promotes excellence**



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NSPS Does Not Change

- | | |
|---|---|
| <ul style="list-style-type: none">• Merit system principles• Rules against prohibited personnel practices• Whistleblower protection• Veterans' preference• EEO/antidiscrimination laws• Benefits (retirement, health, life, etc.)• Fundamental due process | <ul style="list-style-type: none">• Allowances and travel/subsistence expenses• Training• Leave and work schedules• Other personnel systems in law• Lab demo organizations (until FY 08)• Incentive awards |
|---|---|

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Current Status

- **Spiral 1.1 activities converted to NSPS on 30 Apr 06**
- **Spiral 1.2 activities converted to NSPS on 12 Nov 06 & 21 Jan 07**
- **Spiral 1.3 activities convert to NSPS on 18 Mar 07 & 15 Apr 07**
- **Test of NSPS processes and procedures**
- **Will be closely monitored by DoD and Components**
- **27 Feb 2006 Court Decision enjoined DoD from implementing Labor Relations, Adverse Actions and Appeals**
- **Proposed Schedule**
 - **Spiral 2 - October 2007**
 - **Spiral 3 - October 2008**

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NSPS Major Design Elements

- **Streamlined Position Classification**
 - Fewer, more generic position descriptions
 - Broad career groups
 - More flexibility in making/changing work assignments
- **Hiring and Placement - More Flexibility**
 - New hiring authorities tailored to DoD needs
 - Non-competitive career progression within pay band
 - Managers may set pay based on market conditions
- **Compensation**
 - Pay bands will replace GS grades and steps
 - Movement through pay band based on performance

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NSPS Major Design Elements cont.

- **New Reduction in Force Procedures**
 - Emphasis on performance over seniority
 - Veterans preference preserved
 - More flexibility in defining competitive area
- **Pay for Performance**
 - Performance expectations linked to organizational mission goals
 - Ongoing communication essential
 - Greater recognition of superior performance/less pay for poor performance
- **New Flexibilities to Manage Work Force**
 - Decision-makers must understand how flexibilities can be exercised to drive individual performance and organizational goals
 - Managers make more decisions on hiring processes, incentives, compensation and work force shaping



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Career Groups/Pay Schedules

STANDARD <ul style="list-style-type: none">• Professional/Analytical (YA)• Tech/Support (YB)• Supervisor/Manager (YC)• Student Employment (YP)* <p>71% of DoD workforce</p>	ENGINEERING & SCIENTIFIC <ul style="list-style-type: none">• Professional (YD)• Tech/Support (YE)• Supervisor/Manager (YF) <p>18% of DoD workforce</p>
MEDICAL <p>Physician/Dentist (YG)</p> <ul style="list-style-type: none">• Professional (YH)• Tech/Support (YI)• Supervisor/Manager (YJ) <p>5% of DoD workforce</p>	INVESTIGATIVE & PROTECTIVE SERVICES <ul style="list-style-type: none">• Investigative (YK)• Fire Protection (YL)• Police/Guard (YM)• Supervisor/Manager (YN) <p>6% of DoD workforce</p>

***Student Employment (YP) covers all 4**

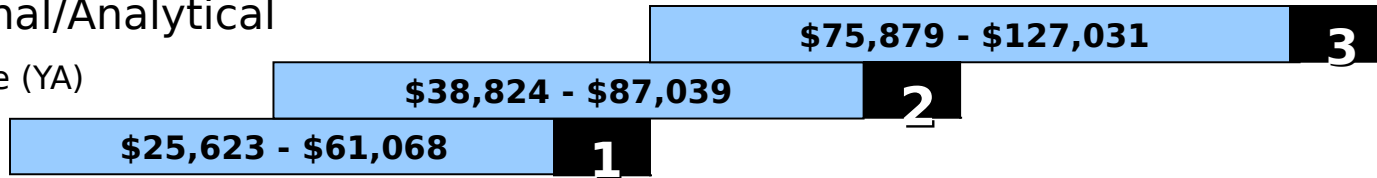
groups.

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Standard Career Group

Professional/Analytical

Pay Schedule (YA)

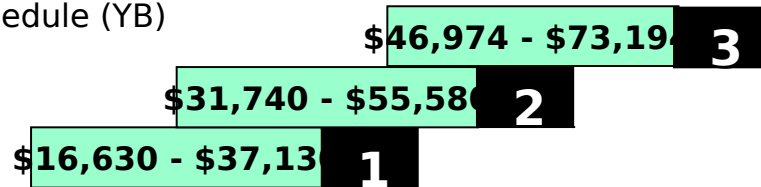


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule (YB)

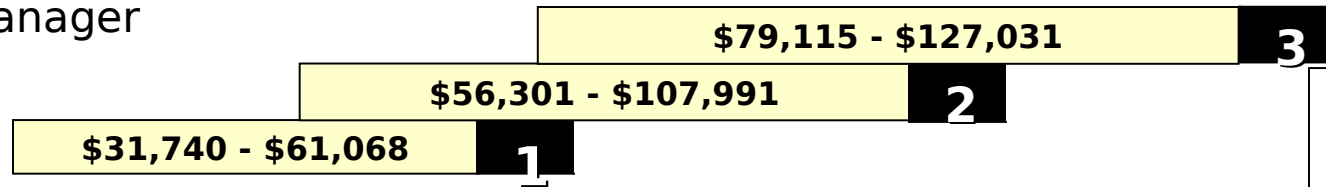


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule (YC)



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Student

Pay Schedule (YP)



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

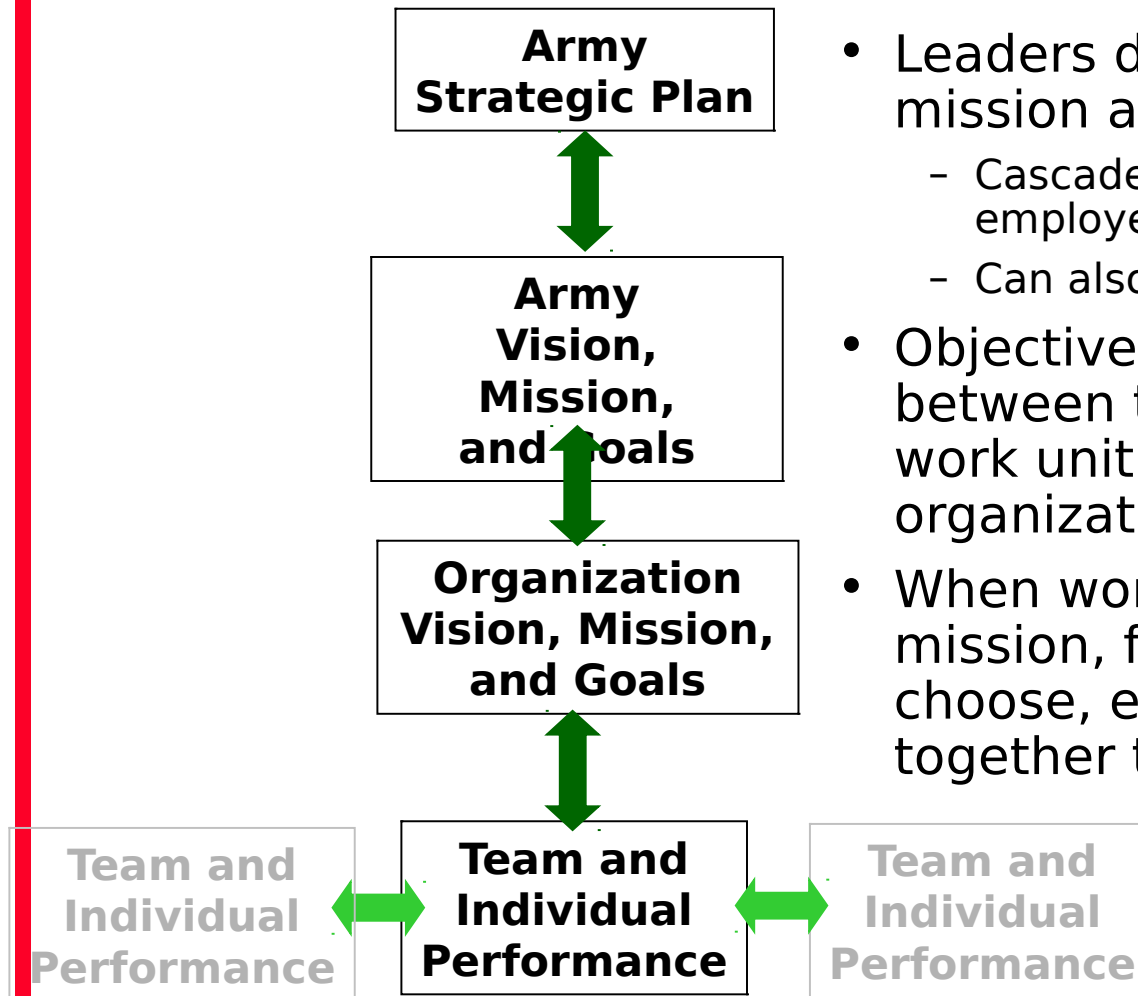
This pay chart reflects 2007 base salary only.

Performance Management Goals

- **Provide results-oriented, mission-focused objectives**
- **Improve individual and organizational performance**
 - Define the mission, goals, and management processes of an organization and link them to individual goals and objectives
- **Identify clear and understandable direction (fair, credible, transparent)**
- **Link pay, performance, and mission accomplishment**
 - Reflect meaningful distinctions in employee performance
 - Robust (capable of supporting pay decisions)

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Aligning Work to Mission



- Leaders define the organization's mission and strategic goals
 - Cascaded to the work unit and employee objectives
 - Can also align work horizontally
- Objectives draw a line of sight between the employee's work, the work unit's goals, and the organization's success
- When work is aligned to the mission, from any perspective you choose, everyone is working together towards shared goals

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Performance Comparison

Old -TAPES

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 or 2 (Army: 95% were those levels in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

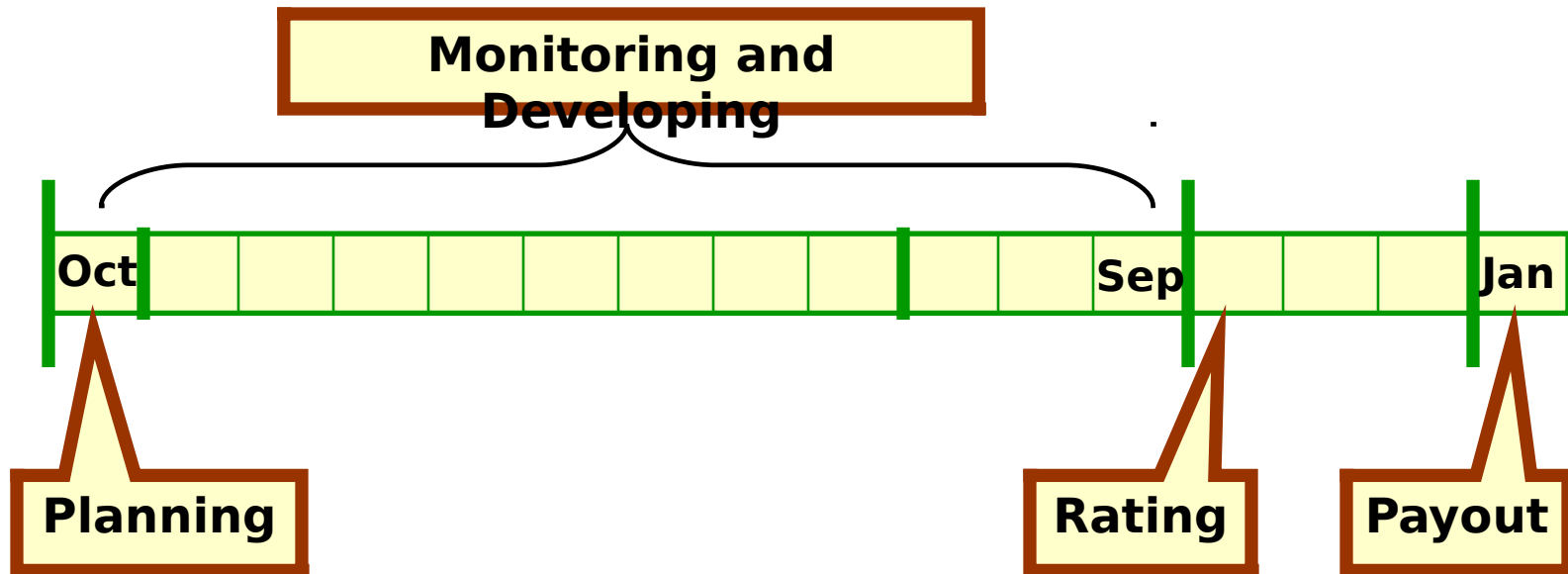
New - NSPS

- Ratings based on **job objectives**
- **One** cycle (1 Oct - 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be **level 3** (valued performer)
- **90 day** minimum rating period
- **Pay Pool Manager** approves ratings

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Performance Cycle

**The NSPS Timeline:
1 Oct-30 Sep***



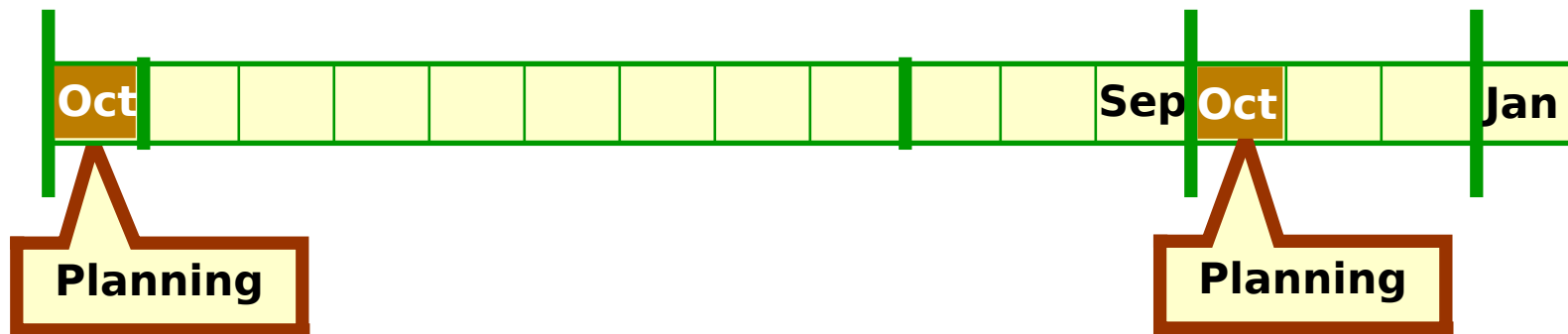
- A 12-month performance cycle
- A 16-month process

* End state model - will vary during conversion

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Performance Planning

- Establish expectations
- Establish a written performance plan:
 - Identify and discuss objectives
 - Select contributing factors
 - Establish weighting
- Requires higher-level approval
- Identify developmental needs
- Provide a basis for ongoing dialogue about performance



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Job Objectives

- **Capture performance expectations**
- **Provide platform by which employees are rated**
- **Identify major work that needs to be accomplished**
- **Align with organizational goals and the DoD mission**

When communicating job objectives to employees, supervisors need to fully explain the relationship between an employee's accomplishments and achieving organizational goals

Cultural Change

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SMART Objectives

S - Specific

- Specific regarding the result (not the activities to achieve that result)

M - Measurable

- Quantity, time, quality, resources

A - Aligned

- Objectives link employee's work, work unit's goal, and organization's mission

R - Realistic and Relevant

- Realistic: Can be accomplished with the resources, personnel, and time
- Relevant: Are important to the employee and to the organization

T - Timed

- When the objective will start, or when it will be completed

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Rating Levels

Standard rating levels used in DoD

Rating Level	Level of Performance	Performance Description
Level 5	Role Model	Almost always meets the standards described by the Role Model benchmarks
Level 4	Exceeds Expectations	Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks
Level 3	Valued Performance	Almost always meets the standards described by the Valued Performance benchmarks
Level 2	Fair	Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level
Level 1	Unsuccessful	Performs below Level 2, or fails a Standard Performance Factor in the performance of a single assignment where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss

Reward Eligibility

Performance Rating	Employees are eligible to receive:
5	<ul style="list-style-type: none">• Performance based pay• Rate range adjustments• Local market supplement increases
4	
3	
2	<ul style="list-style-type: none">• Rate range adjustments• Local market supplement increases
1	<ul style="list-style-type: none">• No increases

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Share Ranges

- Shares in the pay pool are awarded as shown in the table:

Rating Level	Share Range
5	5 or 6
4	3 or 4
3	1 or 2
2	0
1	0

- Share ranges allow further distinction between levels of contribution
- Estimated value of a share reflects a percentage of salary
- Actual share value not known until Pay Pool Panel finishes

**The more shares assigned within the pay pool,
the less the value of each share**

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Pay Pool Basics

Command
Decision

- **What is a pay pool?**
 1. Employees who share in distribution of a pay-for-performance fund
 2. The actual pool of money that funds performance payouts
- **How are membership and boundaries of a pay pool determined?**
 - By organizational structure
 - By similar lines of occupations or jobs
 - By geographical location
 - By organizational mission
 - Other considerations: pay bands, career groups, etc.
 - Army guidance: size should range from 35 to 300
- **Pay pools will be structured differently in different organizations**

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Process

- **Supervisor**
 - Recommends performance rating / number of shares
 - Recommends distribution between salary increase and bonus
- **Higher level reviewer**
 - Reviews supervisor's recommendations, changes as appropriate
- **Pay Pool Panel**
 - Reconciles/changes ratings, shares, and distribution within the pay pool
- **Pay Pool Manager**
 - Makes final decisions on rating of record, number of shares, and distribution
- **Performance Review Authority**
 - Assures equity across pay pools, resolves requests for reconsiderations
- **Supervisor**
 - Conveys final rating, shares, and distribution to employees

How do we ensure consistency and fairness?

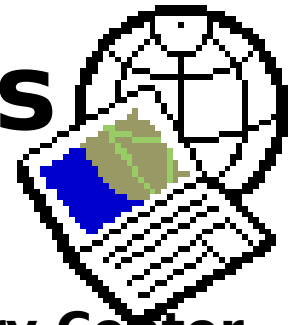
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Training/Communicating with the Workforce

- Training is the key element to successful implementation
- Blended approach
 - Classroom Training
 - Distance learning/Web-based
- Key topics
 - Performance Management
 - Classification
 - Staffing/Workforce Shaping
 - Compensation
 - Pay Pool Management

Promote a culture that focuses on results, values performance, rewards contributions, and promotes excellence

Additional Resources



- Your strategic partner - Civilian Personal Advisory Center
- TRADOC website:
<http://www.tradoc.army.mil/dcspil/cpd/nsps.htm>
- CHRA NSPS website: <http://www.chra.army.mil/>
- Army NSPS website: <http://cpol.army.mil/library/general/nsps/>
 - Contains latest Army information
- DoD's NSPS website:
<http://www.cpms.osd.mil/nsps/>
 - Contains implementing issuances / on line training / other materials

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